**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**

**SPECIAL CIVIL APPLICATION No. 9697 of 1998**

**For Approval and Signature:**

**HONOURABLE MR.JUSTICE AKIL KURESHI**

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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**RAMPURA (SORNA) SEVA CO OP SOCIETY LTD. - Petitioner(s)**
**Versus**
**DISTRICT REGISTRAR CO OP SOCIETIES KHEDA DISTRICT & 3 - Respondent(s)**

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**Appearance :**

MR SURESH M TRIVEDI for Petitioner(s) : 1,
MS MANISHA LAVKUMAR, AGP for Respondent(s) : 1 - 2, 4,
RULE SERVED for Respondent(s) : 3,

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**CORAM : HONOURABLE MR.JUSTICE AKIL KURESHI**

**Date : 02/11/2006**

**ORAL JUDGMENT**

1. The petitioner-society challenges the orders passed by the Authorities ordering winding up of the

petitioner society in terms of provisions contained in the Gujarat Cooperative Societies Act (hereinafter to be referred to as "the said Act").

2. The District Registrar passed an order of winding up under section 108 of the said Act on 28.5.1996. The appeal filed by the petitioner before the Additional Registrar failed and the same was rejected on 7.6.96. The State Government also rejected the revision application of the petitioner on 27.1.98.

3. Upon perusal of the impugned orders, it can be seen that it was necessary for the authorities to resort to liquidation of the society since the financial condition of the society was unsound. The society had been classified as D-2, C-2, D-1 and D by the audit reports of the previous five years. It was noted that there was no improvement in the financial condition of the society and the total loss as on 30.6.97 accumulated was to the tune of Rs.1,30,000 and odd. It was also recorded that the work of lending money and recovery has been totally stopped

and the losses of the society were accumulated and were increasing every year. Substantial amount of outstanding loans of the Bank was also unpaid since many years on which interest liability was accruing.

4. Learned advocate for the petitioner assailed the impugned orders primarily on two grounds. Firstly it was contended that the adequate opportunity of hearing was not granted and the ultimately order was a non-speaking order. Secondly, it was contended that the authorities did not explore the alternative possibilities of less drastic action than the winding up of the society. He placed reliance on a decision of this Court in the case of Apexa Coop. Bank Ltd. v. District Registrar and Ors., 1993 (2) GLH 861.

5. The State Government filed affidavit supporting the decisions under challenge.

6. Having heard the learned advocates appearing for the parties, I find that the petition cannot be entertained. The authorities have come to a definite

conclusion that the financial condition of the society was not sound and that the society has accumulated substantial losses and its activities of lending and recovery of money were stopped since lone.

7. Considering all these aspects of the matter, if the authorities found that the powers under section 108 of the Act were required to be exercised, I see no reason for interference. It is not in dispute that a show cause notice was given to the petitioner before taking a final decision. The petitioner was also given an opportunity to produce relevant material on record. I do not find that the impugned orders did not disclose reasons. They, therefore, cannot be termed as non-speaking orders.

8. Additionally, I find that the authorities have given sufficient reasons for resorting to the extreme step of liquidating the society. It may be noted, as pointed out by the State Government in the affidavit in reply, that though the petition was filed some time in November 1998, the same was moved

for admission hearing only on 7th December, 1999. The petitioner itself, therefore, had not shown any urgency in seeking relief. During the pendency of the petition interim relief against liquidation was not granted in favour of the petitioner.

9. Considering all these aspects of the matter, I do not find any reason to interfere with the impugned orders. The petition is, therefore, rejected. Rule is discharged with no order as to costs.

(Akil Kureshi, J.)

(vjn)